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SMALL-SCALE INDUSTRIES AND INDUSTRIAL  
EXTENSION SERVICES IN TANZANIA <sup>1/</sup>

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<sup>1/</sup> The views and opinions expressed in this paper are those of the author and do not necessarily reflect the views of the secretariat of UNIDO.  
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## 1. INTRODUCTION

The concept of small-scale and Cottage industries in Tanzania is new when compared to other developing countries. Although these industries have been in existence since time immemorial, much attention was not paid to them and that there was no declared policy towards their development. Emphasis on the development of cottage industries started with the attainment of independence and as such production of these industries has a short history. However within this short period much has been done to promote and develop them.

## 2. DEFINITIONS

The definitions of the small-scale and cottage industries are not dogmas, universal or static because the definitions depend on the purposes for which they are intended, the stage of development a country has achieved, and the price trend. However for our own convenience a small-scale industry has been defined as an industry where total investment does not exceed Sh.20,000/-. This definition does not take account of the labour involved; but according to our current five Year Development Plan these industries are defined as those with 10 to 20 jobs. Already there are a number of such industries in Tanzania. For example, Kujok Processing, Fruit and Vegetable Canning.

Cottage Industries are those which could be undertaken at the homes of the proprietors, normally with the help of families. Such industries are handloom weaving, pottery, carpentry, etc.

## 3. POLICY

In terms of Section E(5) of the Arusha Declaration, the Cabinet approved the plans for accelerated development of Small Scale and Cottage Industries in May, 1966. The plan called for two major things which have already become realities. The establishment of Cottage Industries Training Centre was immediately followed by the creation of the National Small Industries Corporation Ltd. whose authorized capital is Sh.200,000 (subscribed 80% by the National Development Corporation and 20% by the Workers Development Corporation).

a) Cottage Industries Training Centre

Realising the fundamental importance of Training of artisans to any programme of expansion of Small-Scale and Cottage Industries, my Government (through Ministry of Commerce and Industries) set up the above mentioned Centre in Dar es Salaam to impart training in basket work, metal work, carpentry, handloom weaving and basketry. The trainees are recruited from various parts of the country, but special preference is given to Ujamaa Villages. On completion of their one year course the graduates are expected to go back to their respective areas either to act as teachers (in the case of those sponsored by Government or parastatal bodies) or to establish their own small businesses with the help of the Government. It is expected to add more trades in the training programme at a later stage. The trades being thought of are pottery, leather work, etc.

b) The Dar es Salaam Technical College

This is rather more advanced institution. It provides training for technicians, vocational training of skilled workers, etc. The College has two branches viz Secondary Technical School and the Technical College branch for advanced technical training of the students passing out from the Secondary Technical School. The second branch also provides training facilities to persons having in-plant experience.

c) Moshi and Tanga Secondary Technical Schools

Under the Ministry of National Education, the above schools take in the best boys who have graduated from primary schools (Standard 7 & 8) in different parts of the country. The four year course leads them to Cambridge School Certificate in academic and technical subjects which qualify them for entry in more advanced technical courses.

d) New Established Training Facilities:

1) Apprenticeship Training Act

This act is meant to regulate the training of apprentices in local industries. The apprentices complete two years training in the factories.

ii) Trade Testing Centre

For the benefit of persons who have had no formal education, the Ministry of Labour started in the recent past a Trade Testing Centre, which has been providing testing facilities in carpentry, black smithy, motor mechanics, fitting, glass welding, electric welding, painting (sign writing).

- iii) Also recently started as a U.N./I.L.O. Special Fund Project, is the National Institute for Productivity under the Ministry of Communications, Transport and Labour. The activities of the institute are mainly directed towards in-service training for up-grading of personnel and for greater proficiency in the execution of management functions.

Under

e) Proposed Rural Training Centres.

In the past both the Ministry of Agriculture, Food and Co-operatives and Regional Administration and Rural Development have pursued separate development programmes for Farmers' and District Training Centres which have resulted in considerable unnecessary duplication in certain areas. Both District and Farmers' Training Centres have the same basic function, namely the training of rural people. In view of this it has been decided to re-organise these centres into a form of integrated rural training centre. All facilities will be provided for all aspects of rural training. This will include, among others, vocational training for primary school leavers. It is intended that five such centres will be established in the country during this 2nd Five Year Plan.

f) National Small Industries Corporation Ltd.

As mentioned in other parts of this report NSIC is a subsidiary of NDC (30%) and Regional Development Corporation (20%). The main objectives of the NSIC include the following:

- i) Establishment of Industrial Workshops and Estates comprising of small workshop units and factories which are let at low charges to entrepreneurs and entrepreneurs working in groups.
- ii) To render assistance in the bulk procurement of raw materials and in the marketing of finished products.
- iii) To assist needy artisans and others in formulation of new projects and procurement of machines, equipments or working capital.
- iv) Financial participation in projects of economic importance to the country.
- v) To serve as a clearing house of technical and other information.

g) Industrial Workshops, Dar es Salaam.

One hundred forty small industrial workshops have already been established under the NSIC's pilot programme in Dar es Salaam. Over 400 small artisans are working in these workshops on a nominal monthly rent of K.30/- per workshop unit. They use machines in the Common Facility Centre in wood and metal work on payment of nominal charges. Raw materials are provided to the artisans by the Corporation at cheap rates. To improve the quality of their products, Government has provided two experts (technicians) to teach new designs and better production techniques.

h) Hire Purchase of Machinery

The scheme for the hire purchase of machinery was introduced during the year 1969. Under this scheme co-operative Societies, partnerships, artisans and entrepreneurs are able to procure machinery on payment of 20% of the price of machines, the balance (80%) being payable in annual instalments spread over seven to ten years. More liberal terms are offered to rural areas, and in particular the most backward regions.

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1) National Arts of Tanzania

This new Company which is a subsidiary of NSIC was recently created. The initial share capital of the Company is ₦.250,000 out of which shares are held by the NSIC and one of the leading exporters of the woodcarvings in the proportion of 52:48 respectively. Initially the main activity of the Company will be to control the woodcarvings export business in the country and to ensure that the carvers themselves benefit from such course of action i.e. the carver gets better return of his labour. It is hoped that at a later stage the Company will also deal with the marketing of the other handicrafts, particularly the artistic ones which, even at this stage, are produced in various parts of the country though on a small scale.

4. National Small Industries Corporation's Five Year Development Plan: It includes the following projects:

- a) establishment of complexes of Industrial Workshops and Common Facility Centres at ten (10) different places all over the country, to improve and up-grade the existing skills of local artisans and to bring to them the advantages of collective and organised working at one place. The artisans will be progressively trained and enabled to manufacture articles of daily necessity and the tools and implements needed in the rural areas.
- b) To establish a pilot light engineering Industrial Estate at Dar es Salaam along with complex of Common Facility Centres in Heat treatment, Electroplating and forging etc. In the light of the experience gained, it is intended to establish similar Industrial Estates in other parts of the country.
- c) Special training courses would also be arranged for other artisans residing in the areas surrounding the Industrial Workshops to (i) improve their methods of production and designs (ii) to use better machines and equipments and (iii) to make other facilities available from the Corporation.
- d) To forge a conscious link with the activities in the Ujamaa Villages and to give an industrial bias to the economy of such villages.
- e) To strengthen the agro-industrial base of the rural economy through establishment of projects utilising agricultural and horticultural produce.
- f) To integrate the working of large and small scale industries thereby eliminating ruthless competition between two sectors of economy and
- g) To create an efficient marketing service for small and cottage industries.

In order to undertake the above mentioned activities which are geared to the acceleration of the development of small scale and Cottage Industries in the country within the current Five Year Development Plan, the Government has made a provision of about ₦.18 million for this purpose.





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